

Township of Clyde
St. Clair County, Michigan

Audited Financial Report
June 30, 2006

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Township of Clyde	County St. Clair County
Fiscal Year End June 30, 2006	Opinion Date August 16, 2006	Date Audit Report Submitted to State August 18, 2006	

We affirm that:

We are certified public accountants licensed to practice in Michigan.


We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES NO Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☒ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Lehn L. King, C.P.A.		Telephone Number 989-635-3113	
Street Address 3531 Main Street		City Marlette	State MI
Authorizing CPA Signature 		Printed Name Lehn King	Zip 48453
		License Number A248781	

Township of Clyde
Annual Financial Report
For The Fiscal Year Ended June 30, 2006

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LEHN L. KING

CERTIFIED PUBLIC ACCOUNTANT

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Members of the Township Board

Clyde Township

St. Clair County, Michigan

Independent Auditor's Report

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Clyde, Michigan as of and for the year ended June 30, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Clyde, Michigan's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that the audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Clyde, Michigan as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, and the budgetary comparison schedules, as identified in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, I did not audit the information and express no opinion on it.

The Audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Clyde, Michigan's basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

As described in Note 1, the Township implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and related statements, as of April 1, 2003.

Lehn King

Lehn L. King

Certified Public Accountant

August 16, 2006

Township of Clyde

North Street, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS LETTER

Our discussion and analysis of the Township of Clyde's financial performance provides an overview of the Township's financial activities for the fiscal year ended June 30, 2006. Please read it in conjunction with the Township's financial statements.

Financial Highlights

The Township is in a good financial position with a General Fund Balance of \$967,039.

Using this Report

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No.34. GASB Statement 34 implements a new model of financial reporting for state and local governments designed to enhance the usefulness of the Township's annual report.

The Township as a Whole

The Township of Clyde's fund balances are as follows:

	June 30, 2006
General Fund	\$ 967,039
Fire Fund	(83,180)
Building Department Fund	42,857
Water Fund (Working Capital)	408,028
Total for Township	<u>\$ 1,334,744</u>

Township of Clyde

North Street, Michigan

Governmental Activities

The Township of Clyde's Revenues and Expenditures for the year ended June 30, 2006 can be summarized as follows:

	General Fund	Fire Millage Fund	Building Department Fund	Water Fund	Total
Fund Balance - Beginning of Year	\$ 921,261	\$ 35,759	\$ 52,328	\$ -	\$ 1,009,348
Revenue Collected					
Intergovernmental Revenue	398,701	45,243	-	-	443,944
Property Taxes	148,359	37,849	-	-	186,208
Special Assessment	22,672	-	-	-	22,672
Charges for Services	38,526	-	67,899	282,246	388,671
Interest Earnings	49,156	-	-	88,308	137,464
Other	56,228	-	-	-	56,228
Total Revenue Collected	<u>713,642</u>	<u>83,092</u>	<u>67,899</u>	<u>370,554</u>	<u>1,235,187</u>
Expenditures					
General Government	316,211	-	-	-	316,211
Public Safety	104,181	-	77,370	-	181,551
Public Works	182,300	-	-	336,451	518,751
Recreation & Culture	5,606	-	-	-	5,606
Capital Outlay	46,741	202,031	-	-	248,772
Debt Service	12,824	-	-	31,048	43,872
Total Expenditures	<u>667,863</u>	<u>202,031</u>	<u>77,370</u>	<u>367,499</u>	<u>614,461</u>
Fund Balance - End of Year	<u><u>\$ 967,040</u></u>	<u><u>\$ (83,180)</u></u>	<u><u>\$ 42,857</u></u>	<u><u>\$ 3,055</u></u>	<u><u>\$ 1,630,074</u></u>

Township of Clyde

North Street, Michigan

Economic Factors and Next Year's Budget and Rates

The Township of Clyde's 2006/2007 adopted budget is as follows:

	<u>General Fund</u>	<u>Bldg Dept. Fund</u>
	<u>June 30,</u>	<u>June 30,</u>
	<u>2007</u>	<u>2007</u>
Budgeted Balance Forward	-	-
Revenue		
Property Taxes	150,500	-
Park Millage	28,000	-
Intergovernmental Revenue	377,498	-
Charges for Services	27,650	60,370
Sale of Capital Assets	-	-
Interest Income	41,000	-
Other	38,850	-
Total Funds Available	<u>663,498</u>	<u>60,370</u>
Expenditures		
General Government	371,544	-
Public Safety - Fire	99,460	-
Public Safety - Building Department	-	70,635
Public Safety - Other	19,020	-
Public Works - Roads & Drains	197,808	-
Parks & Recreation	31,000	-
Capital Outlay	-	-
Transfers	-	-
Total Expenditures	<u>718,832</u>	<u>70,635</u>
Net Over/Under Budget	<u>\$ (55,334)</u>	<u>\$ (10,265)</u>

The Township of Clyde's General Fund budget for next year is approximately the same budget as a year ago.

Contacting the Township

This report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Township office at 3350 Vincent Road, North Street, Michigan

Township of Clyde Supervisor

Township of Clyde
Statement of Net Assets (Deficit)
June 30, 2006

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
<u>Assets</u>			
Cash & Cash Equivalents	\$ 731,646.35	\$ 630,428.50	\$ 1,362,074.85
Accounts Receivable	125,916.39	857,359.38	983,275.77
Due From Other Funds	270,731.09	-	270,731.09
Capital Assets			
Nondepreciable Capital Assets	233,223.10	-	233,223.10
Depreciable Capital Assets	764,752.48	2,913,805.90	3,678,558.38
 Total Assets	 2,126,269.41	 4,401,593.78	 6,527,863.19
<u>Liabilities</u>			
Accounts Payable	7,649.66	50,530.06	58,179.72
Deferred Revenue	59,508.67	-	59,508.67
Bonds Payable	15,480.00	-	15,480.00
Due To Other Funds	118,939.10	-	118,939.10
Accrued Interest Payable	-	4,700.00	4,700.00
Current Portion of Long-Term Debt	-	72,000.00	72,000.00
Noncurrent Liabilities:			
Long-Term Debt	-	314,208.97	314,208.97
 <u>Total Liabilities</u>	 <u>201,577.43</u>	 <u>441,439.03</u>	 <u>643,016.46</u>
Net Assets (Deficit)			
Invested in Capital Assets - Net of			
Related Debt	997,975.58	2,527,596.93	3,525,572.51
Unrestricted	926,716.40	1,432,557.82	2,359,274.22
 <u>Total Net Assets (Deficit)</u>	 <u>\$ 1,924,691.98</u>	 <u>\$ 3,960,154.75</u>	 <u>\$ 5,884,846.73</u>

The notes are an integral part of the statements.

Township of Clyde
Statement of Activities
For the Year Ended June 30, 2006

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Assets		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		Totals
					Governmental Activities	Business-type Activities	
Primary Government:							
Governmental Activities:							
General Government	\$ 331,014.29	\$ 24,088.00	\$ -	\$ -	\$ (306,926.29)	\$ -	\$ (306,926.29)
Public Safety	205,130.78	82,336.92	-	45,243.00	(77,550.86)	-	(77,550.86)
Public Works	188,009.40	-	-	-	(188,009.40)	-	(188,009.40)
Recreation & Culture	20,227.06	-	-	-	(20,227.06)	-	(20,227.06)
Interest on Long-Term Debt	748.30	-	-	-	(748.30)	-	(748.30)
<u>Total Governmental Activities</u>	745,129.83	106,424.92	-	45,243.00	(593,461.91)	-	(593,461.91)
Business-type Activities	336,450.87	282,246.15	-	-	-	(54,204.72)	(54,204.72)
Interest on Long-Term Debt	31,048.03	-	-	-	-	(31,048.03)	(31,048.03)
<u>Total Business-type Activities</u>	367,498.90	282,246.15	-	45,243.00	-	(85,252.75)	(85,252.75)
Total Primary Government	<u>\$ 1,112,628.73</u>	<u>\$ 388,671.07</u>	<u>\$ -</u>	<u>\$ 90,486.00</u>	<u>\$ (593,461.91)</u>	<u>\$ (85,252.75)</u>	<u>\$ (678,714.66)</u>
General Revenues:							
Property Taxes & Special Assessments					\$ 208,880.01	\$ -	\$ 208,880.01
Intergovernmental Revenues					398,701.22	-	398,701.22
Interest					49,155.88	88,308.24	137,464.12
Other Revenues					56,227.90	-	56,227.90
Transfers					-	-	-
Total General Revenues, Special Items & Transfers					<u>712,965.01</u>	<u>88,308.24</u>	<u>801,273.25</u>
Change in Net Assets					119,503.10	3,055.49	122,558.59
Net Assets (Deficit) - Beginning of Year					<u>1,805,188.88</u>	<u>3,957,099.26</u>	<u>5,762,288.14</u>
Net Assets (Deficit) - End of Year					<u>\$ 1,924,691.98</u>	<u>\$ 3,960,154.75</u>	<u>\$ 5,884,846.73</u>

The notes are an integral part of the statements.

Township of Clyde

Governmental Funds Balance Sheet June 30, 2006

	Major Special Revenue Funds			Total Governmental Funds
	General Fund	Fire Fund	Building Department Fund	
<u>Assets</u>				
Cash & Certificates of Deposit	\$ 687,686.66	\$ -	\$ 43,959.69	\$ 731,646.35
Accounts Receivable	125,916.39	-	-	125,916.39
Note Receivable - Water Fund	143,778.44	-	-	143,778.44
Due From Other Funds	91,194.02	35,758.63	-	126,952.65
<u>Total Assets</u>	<u>\$ 1,048,575.51</u>	<u>\$ 35,758.63</u>	<u>\$ 43,959.69</u>	<u>\$ 1,128,293.83</u>
<u>Liabilities & Fund Equity</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 6,547.37	\$ -	\$ 1,102.29	\$ 7,649.66
Deferred Revenue	59,508.67	-	-	59,508.67
Bonds Payable	15,480.00	-	-	15,480.00
Due To Other Funds	-	118,939.10	-	118,939.10
<u>Total Liabilities</u>	<u>81,536.04</u>	<u>118,939.10</u>	<u>1,102.29</u>	<u>201,577.43</u>
<u>Fund Equity</u>				
Fund Balances				
- Unreserved & Undesignated	967,039.47	(83,180.47)	42,857.40	926,716.40
<u>Total Fund Balances</u>	<u>967,039.47</u>	<u>(83,180.47)</u>	<u>42,857.40</u>	<u>926,716.40</u>
<u>Total Liabilities & Fund Equity</u>	<u>\$ 1,048,575.51</u>	<u>\$ 35,758.63</u>	<u>\$ 43,959.69</u>	<u>\$ 1,128,293.83</u>

The notes are an integral part of the statements.

Township of Clyde
Governmental Funds
Reconciliation of Fund Balances to the
Statement of Net Assets (Deficit)
For The Year Ended June 30, 2006

Total Fund Balances for Governmental Funds	\$ 926,716.40
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Amounts reported for Governmental Activities in the Statement of
Net Assets (Deficit) are different because:

Capital Assets used in Governmental Activities are not Financial Resources and are not reported in the Funds	997,975.58
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Long-Term Bonds Payable are not due and payable in the current period and are not reported in the Funds	<u>-</u>
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Net Assets of Governmental Activities	<u><u>\$ 1,924,691.98</u></u>
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The notes are an integral part of the statements.

Township of Clyde
Governmental Funds
Statement of Revenues, Expenditures, And Changes
in Fund Balances
For The Year Ended June 30, 2006

		<u>Major Special Revenue Funds</u>		
	General	Fire	Building	Total
<u>Revenues</u>	<u>Fund</u>	<u>Millage</u>	<u>Department</u>	<u>Governmental</u>
		<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
Property Taxes	\$ 148,358.61	\$ 37,848.90	\$ -	\$ 186,207.51
Special Assessment	22,672.50	-	-	22,672.50
Intergovernmental Revenues	398,701.22	-	-	398,701.22
Charges for Services	38,526.17	-	67,898.75	106,424.92
Grant Proceeds	-	45,243.00	-	45,243.00
Interest Earnings	49,155.88	-	-	49,155.88
Other Revenues	56,227.90	-	-	56,227.90
<u>Total Revenues</u>	<u>713,642.28</u>	<u>83,091.90</u>	<u>67,898.75</u>	<u>864,632.93</u>
<u>Expenditures</u>				
General Government	316,211.10	-	-	316,211.10
Public Safety	104,180.88	-	77,369.82	181,550.70
Publics Works	182,300.15	-	-	182,300.15
Recreation & Culture	5,605.73	-	-	5,605.73
Capital Outlay	46,741.45	202,031.00	-	248,772.45
Debt Service - Principal	12,076.00	-	-	12,076.00
Debt Service - Interest	748.30	-	-	748.30
<u>Total Expenditures</u>	<u>667,863.61</u>	<u>202,031.00</u>	<u>77,369.82</u>	<u>947,264.43</u>
Excess of Revenues Over				
(Under) Expenditures	45,778.67	(118,939.10)	(9,471.07)	(82,631.50)
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In (Out)	-	-	-	-
Net Change in Fund Balances	45,778.67	(118,939.10)	(9,471.07)	(82,631.50)
<u>Fund Balances - Beginning of Year</u>	<u>921,260.80</u>	<u>35,758.63</u>	<u>52,328.47</u>	<u>1,009,347.90</u>
<u>Fund Balances - End of Year</u>	<u>\$ 967,039.47</u>	<u>\$ (83,180.47)</u>	<u>\$ 42,857.40</u>	<u>\$ 926,716.40</u>

The notes are an integral part of the statements.

Township of Clyde
Governmental Funds
Reconciliation of Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For The Year Ended June 30, 2006

Net Change in Fund Balances - Total Governmental Funds \$ (82,631.50)

Amounts reported for Governmental Activities in the Statement of
Activities are different because:

Governmental Funds report Capital Outlays as Expenditures;
in the Statement of Activities, these costs are capitalized and
allocated over their estimated useful lives as Depreciation 248,772.45

Repayment of Bond Principal is an Expenditure in the Governmental
Funds, but not in the Statement of Activities (where it
reduces Long-Term Debt) 12,076.00

Depreciation is an Expenditure for the Statement of
Activities, but is not reported in the Governmental Funds (58,713.85)

Net Assets of Governmental Activities \$ 119,503.10

The notes are an integral part of the statements.

Township of Clyde
Statement of Net Assets (Deficit)
Proprietary Funds
June 30, 2006

	Enterprise Fund Water Fund
<u>Assets</u>	
<u>Current Assets</u>	
Cash & Cash Equivalents	\$ 630,428.50
Accounts Receivable	48,307.66
Special Assessments Receivable	<u>809,051.72</u>
<u>Total Current Assets</u>	1,487,787.88
<u>Noncurrent Assets</u>	
Capital Assets being Depreciated	3,776,965.05
Less: Accumulated Depreciation	<u>(863,159.15)</u>
<u>Total Noncurrent Assets</u>	<u>2,913,805.90</u>
Total Assets	4,401,593.78
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts Payable	40,120.13
Accrued Sick Pay	7,109.93
Security Deposits	3,300.00
Accrued Interest Payable	4,700.00
Current Portion of Long-Term Debt	<u>72,000.00</u>
Total Current Liabilities	127,230.06
<u>Long-Term Liabilities</u>	
Note Payable - General Fund	143,778.44
Bonds Payable	<u>170,430.53</u>
Total Liabilities	441,439.03
<u>Net Assets</u>	
Invested in Capital Assets Net of Related Debt	2,671,375.37
Unrestricted	<u>1,288,779.38</u>
<u>Total Net Assets</u>	<u><u>\$ 3,960,154.75</u></u>

The notes are an integral part of the statements.

Township of Clyde
Statement of Revenues, Expenses, And Changes in Net Assets
Proprietary Funds
June 30, 2006

	Enterprise Fund Water Fund
<u>Operating Revenues</u>	
User Charges & Penalties	\$ 203,379.26
Service Connection Charges	<u>78,866.89</u>
<u>Total Operating Revenues</u>	<u>282,246.15</u>
<u>Operating Expenses</u>	
Cost of Water	129,648.35
Operation & Maintenance	77,404.47
General & Administration	53,858.75
Depreciation	<u>75,539.30</u>
<u>Total Operating Expenses</u>	<u>336,450.87</u>
<u>Operating Income (Loss)</u>	(54,204.72)
<u>Nonoperating Revenues (Expenses)</u>	
Interest Earned	88,308.24
Interest Expense	(31,048.03)
Transfers From (To) Other Funds	<u>-</u>
Change in Net Assets	3,055.49
<u>Net Assets - Beginning of Year</u>	<u>3,957,099.26</u>
<u>Net Assets - End of Year</u>	<u><u>\$ 3,960,154.75</u></u>

The notes are an integral part of the statements.

Township of Clyde
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2006

	Enterprise Fund
	Water Fund
<u>Cash Flow From Operating Activities</u>	
Receipts from Customers	\$ 285,269.81
Payments for Operation, Maintenance, & Water	(200,905.71)
Payments for General & Administration	(53,858.75)
	<hr/>
<u>Net Cash Provided by Operating Activity</u>	30,505.35
<u>Cash Flows from Noncapital Financing Activities</u>	
Net Change in Prior Year Retained Earnings	-
Received "Due From Other Funds"	-
	<hr/>
<u>Net Cash Provided by Noncapital Financing Activities</u>	-
<u>Cash Flows from Capital & Related Financing Activities</u>	
Interest Expense	(31,048.03)
Net Borrowings (Repayments) with Other Funds	(28,172.00)
Principal Paid on Long-Term Debt	(263,467.47)
Collection of Special Assessments	110,720.60
	<hr/>
<u>Net Cash Provided by Capital & Related Financing Activities</u>	(211,966.90)
<u>Cash Flows From Investing Activities</u>	
Increase in Customer Deposits	(450.00)
Interest received on Investments	89,549.99
	<hr/>
<u>Net Increase (Decrease) in Cash & Cash Equivalents</u>	(92,361.56)
<u>Cash & Cash Equivalents - Beginning of Year</u>	<hr/> 722,790.06
<u>Cash & Cash Equivalents - End of Year</u>	<hr/> <hr/> \$ 630,428.50
<u>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities</u>	
Operating Income (Loss)	(54,204.72)
Adjustments to Reconcile Operating Income (Loss) from Operating Activities:	
Depreciation	75,539.30
Changes in Assets & Liabilities:	
Accounts Receivable	3,023.66
Accounts Payable	6,147.11
	<hr/>
<u>Net Cash Provided by Operating Activities</u>	<hr/> <hr/> \$ 30,505.35

The notes are an integral part of the statements.

Township of Clyde
Statement of Net Assets (Deficit)
Fiduciary Funds
June 30, 2006

	Nonexpendable	Fiduciary Fund Type	
	Trust Fund	Agency Fund	
	Cemetery Perpetual Care Fund	Current Tax Collection Fund	Totals June 30, 2006
<u>Assets</u>			
Cash - Savings & Certificates	\$ 16,000.00	\$ 8,852.83	\$ 24,852.83
Due From Other Funds	-	-	-
<u>Total Assets</u>	<u>\$ 16,000.00</u>	<u>\$ 8,852.83</u>	<u>\$ 24,852.83</u>
<u>Liabilities & Fund Balance</u>			
<u>Liabilities</u>			
Due To Other Funds	\$ -	\$ 8,013.55	\$ 8,013.55
Due To Other Governmental Units	-	839.28	839.28
<u>Total Liabilities</u>	<u>-</u>	<u>8,852.83</u>	<u>8,852.83</u>
<u>Fund Balances</u>			
Held in Trust for Cemetery Perpetual Care	16,000.00	-	16,000.00
Unreserved & Undesignated	-	-	-
<u>Total Fund Balances</u>	<u>16,000.00</u>	<u>-</u>	<u>16,000.00</u>
<u>Total Liabilities & Fund Balances</u>	<u>\$ 16,000.00</u>	<u>\$ 8,852.83</u>	<u>\$ 24,852.83</u>

The notes are an integral part of the statements.

Township of Clyde

Notes to the Financial Statements
For The Year Ended June 30, 2006

The accounting methods and procedures adopted by the Township of Clyde, St. Clair County, Michigan, conform to generally accepted accounting principles as applied to governmental entities. The following notes to the financial statements are an integral part of the Townships Comprehensive Annual Financial Report.

1. Summary of Significant Accounting Policies

Financial Reporting Entity

The Township of Clyde was incorporated under the laws of the State of Michigan and operates as a General Law Township, with a Township Board form of government. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Township of Clyde (the primary government).

Government-wide and Fund Statements Fund

The Government-wide Financial Statements (i.e., the Statement of Net Assets (Deficit) and the Statement of Activities) report information on all the nonfiduciary activities of the Township (the primary government). The effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function (governmental activities) or identifiable activity (business-type activities) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other revenue items properly excluded from program revenues are reported as general revenue.

Separate financial statements are provided for governmental funds, and Fiduciary Funds, even though the latter are excluded from the Government-wide Financial Statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Township reports the following major governmental funds:

General Fund - The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Fire Millage Fund – This fund accounts for the fire millage and purchases of fire equipment.

Building Department Fund – The fund is setup for the monitoring of Township construction. It is primarily funded through the collection of permits for the various types of construction.

Additionally, the Township reports the following fund types:

Agency Funds – These funds account for assets held for others in an agency capacity.

Township of Clyde
Notes to the Financial Statements
For The Year Ended June 30, 2006

1. Summary of Significant Accounting Policies - Continued

Measurement Focus and Basis of Accounting

The Government-wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period, generally collected within 60 days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes, intergovernmental revenues, special assessments, licenses, charges for services, and interest. All other revenue items are considered to be available only when cash is received by the Township. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, and claims and judgments are recorded only when payment is due.

Cash - The Township does not pool cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the Township's investments.

Investments - Debt securities are valued at cost since it is generally the policy of the Township to hold such investments until they mature.

Due to and Due from Other Funds - Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Property Tax Revenues - Property taxes are levied on December 1 based on the assessed value of property as listed on the previous December 31. Assessed values are an approximation of market value. A revaluation of all real property must be made every year.

Vacation, Sick Leave, & Other Compensated Absences - The Township has an agreement with its full-time employees which allows for various compensated absences after employees have properly vested. Any unused vacation days at the end of the year are forfeited, however, unused sick days (not to exceed 60 days) carry forward to future years.

Inventories and Prepaid Items - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both Government-wide and Fund Financial Statements.

Capital Assets - Capital assets, which include buildings and equipment, are reported in the applicable governmental column in the Government-wide Financial Statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings & Building Improvements	10 to 50 years
Machinery & Equipment	10 years

Township of Clyde
Notes to the Financial Statements
For The Year Ended June 30, 2006

1. Summary of Significant Accounting Policies - Continued

Long-Term Obligations - In the Government-wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, issuance costs, and the deferred amount on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred amount on refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Accounting Changes

GASB Statement No. 34 – Effective April 1, 2003, the Township implemented the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB No. 34). Changes to the Township's financial statements as a result of GASB No. 34 are as follows:

- A management's discussion and analysis (MD&A) section providing analysis of the Township's overall financial position and results of operations has been included.
- Government-wide Financial Statements (statement of net assets (deficit) and statement of activities) prepared using full accrual accounting for all of the Township's activities have been provided.
- Capital assets in the governmental activities column of the statement of net assets (deficit) includes assets not previously accounted for by the Township. In addition, the governmental activities column includes bonds and other long-term obligations, previously reported in the General Long-term Debt Account Group.
- The fund financial statements focus on major funds rather than fund types.

Township of Clyde
Notes to the Financial Statements
For The Year Ended June 30, 2006

2. Stewardship, Compliance, and Accountability

Budgetary Information

The Township is legally subject to the budgetary control requirements of State of Michigan P.A. 621 of 1978 (the Uniform Budgeting Act). The following statements represent a brief synopsis of the major provisions of this Act:

1. Prior to July 1, the Township Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to July 1, the budget is legally enacted.
4. The budget is used by the Township Board as a management tool during the year for all budgetary funds. The budgets are adopted on a cash basis which is not consistent with generally accepted accounting principles. Budgetary control is exercised at the departmental level.
5. Budget amounts are as originally adopted, and as amended by the Township Board.

In the body of the financial statements, the Township actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budget was adopted to the department level. Budgets for these funds are shown in the supplemental schedules to this statement.

During the year ended June 30, 2006, the Township incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

	<u>Total</u> <u>Appropriations</u>	<u>Amount of</u> <u>Expenditures</u>	<u>Budget</u> <u>Variance</u>
General Fund			
Clerk	\$ 59,914	\$ 60,213	\$ 299
Building & Grounds	39,549	43,842	4,293
Emergency Services	64,596	69,827	5,231
Street Lights	9,933	10,836	903
Recreation & Culture	5,212	5,606	394
Fire Millage Fund			
Capital Outlay	0	202,031	202,031
Building Department Fund			
Administration	29,471	29,477	6
Miscellaneous	1,700	2,569	869

Township of Clyde
Notes to the Financial Statements
For The Year Ended June 30, 2006

3. Cash and Investments

Michigan Compiled Laws, Section 129.91, authorizes the Local Unit to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Township Board has designated four banks for the deposit of Township funds. The investment policy adopted by the board was in accordance with Public Act 196 of 1997. The Board has authorized investment in bank accounts and CDs, but not the remainder of State statutory authority as listed above. The Township's deposits are in accordance with statutory authority. All cash deposits and investments of the Township are held by the Township in the Township's name.

At year end, the deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Fiduciary - Trust & Agency Funds</u>	<u>Total Primary Government</u>
Cash & Cash Equivalents	\$ 731,646	\$ 630,429	\$ 24,853	\$ 1,386,928

The breakdown between deposits and investments is as follows:

	<u>Primary Government</u>
Bank Deposits (Checking & Savings Accounts, CDs)	\$ 1,386,928

The bank balance of the primary government's deposits is \$1,386,928, of which \$225,186 is covered by federal depository insurance and \$-0- is collateralized with U.S. Treasury securities held by the pledging financial institution's trust department in the Township's name.

The GASB Statement 3 risk disclosures for the Local Unit's investments are as follows:

	<u>Category</u>			<u>Carrying Value</u>
	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	
Investments	\$ NONE	\$ NONE	\$ NONE	\$ NONE

The cash and investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

Category 1	Insured or registered, or securities held by the Township or its agent in the Township's name.
Category 2	Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Township's name.
Category 3	Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Township's name.

Township of Clyde
Notes to the Financial Statements
For The Year Ended June 30, 2006

4. Property Taxes

The Township is responsible for assessing, collecting, and distributing property taxes in accordance with enabling state legislation. Property taxes become a lien on the first day of December of the levy year and might be paid by the following February 14.

Property taxes are recognized in compliance with NCGAI-3 which states that such revenue is recorded when it becomes measurable and available.

The Township levied the following taxes:

General Government Services	<u>0.7073</u> mills
Fire Equipment Millage	<u>0.2471</u> mills

5. Interfund Receivables, Payables, & Transfers

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "Due from other funds" or "Due to other funds" on the balance sheet. The amounts of interfund receivables and payables are as follows:

	Due From Other Funds		Due To Other Funds
General Fund	\$ 8,014	Tax Collection Fund	\$ 8,014
General Fund	<u>83,180</u>	Fire Millage Fund	<u>83,180</u>
Total	<u><u>\$ 91,194</u></u>		<u><u>\$ 91,194</u></u>

Interfund Transfers reported in the Fund Statements are as follows:

NONE

Township of Clyde
Notes to the Financial Statements
For The Year Ended June 30, 2006

6. Capital Assets

Capital Assets activity of the Township's governmental activities (and business-type) was as follows:

	Balance July 1, 2005	Additions	Disposals & Adjustments	Balance June 30, 2006
Governmental Activities:				
Capital Assets not being Depreciated - Land	\$ 229,900	\$ -	\$ -	\$ 229,900
Capital Assets Being Depreciated:				
Land Improvements	233,223	-	-	233,223
Buildings & Building Improvements	252,093	8,420	-	260,513
Fire Machinery & Equipment	410,405	206,560	-	616,965
Other Equipment	146,166	16,722	-	162,888
Total Capital Assets being Depreciated	1,041,887	231,702	-	1,273,589
Accumulated Depreciation:				
Land Improvements	105,639	17,975	-	123,614
Buildings & Building Improvements	139,043	6,941	-	145,984
Fire Machinery & Equipment	108,379	21,093	-	129,472
Other Equipment	93,738	12,705	-	106,443
Total Accumulated Depreciation	446,799	58,714	-	505,513
Net Capital Assets	\$ 595,088	\$ 172,988	\$ -	\$ 768,076
Business-type Activities:				
Capital Assets Being Depreciated:				
Water Distribution System	\$ 3,776,965	\$ -	\$ -	\$ 3,776,965
Total Capital Assets being Depreciated	3,776,965	-	-	3,776,965
Accumulated Depreciation:				
Water Distribution System	787,620	75,539	-	863,159
Total Accumulated Depreciation	787,620	75,539	-	863,159
Net Capital Assets	\$ 2,989,345	\$ (75,539)	\$ -	\$ 2,913,806

Depreciation expense was charged to programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 14,803
Public Safety	23,580
Public Works	5,709
Recreation & Culture	14,621
Total Governmental Activities	<u>\$ 58,713</u>
Business-type Activities:	
Water Fund	75,539
Total Business-type Activities	<u>\$ 75,539</u>

Township of Clyde
Notes to the Financial Statements
For The Year Ended June 30, 2006

7. Long-Term Debt

	<u>Interest Rate Ranges</u>	<u>Principal Maturity Ranges</u>	<u>Beginning Balance</u>	<u>Additions (Reductions)</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type Activities						
Revenue Bonds & Interfund Loans						
1994 USDA Water Bonds						
Amount of Issue - \$2,726,000						
Maturing through 2008	5.63%	\$72,000	\$ 383,563	\$ (142,000)	\$ 241,563	\$ 72,000
1995 USDA Special Water Bonds						
Amount of Issue - \$306,995						
Maturing through 2012	5.50%	\$7,900	\$ 57,335	\$ (57,335)	\$ -	\$ -
1999 USDA Special Water Bonds						
Amount of Issue - \$180,000						
Maturing through 2012	5.50%	\$10,000	\$ 65,000	\$ (65,000)	\$ -	\$ -
Interfund Loan - Water Mains						
Amount of Issue - \$185,000						
Maturing terms not established	0.00%	N/A	\$ 110,864	\$ -	\$ 110,864	\$ -
Interfund Loan - Water Mains						
Amount of Issue - \$81,450						
Maturing terms not established	6.65%	N/A	\$ 61,086	\$ (27,172)	\$ 33,914	\$ -
Total Business-type Activities			<u>\$ 677,848</u>	<u>\$ (291,507)</u>	<u>\$ 386,341</u>	<u>\$ 72,000</u>

Annual debt service requirements to maturity for the above governmental bond and contract obligations are as follows:

<u>Years Ending June 30,</u>	<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 72,000	\$ 11,125	\$ 83,125
2008	72,000	10,105	82,105
2009	72,000	8,904	80,904
2010	26,431	12,771	39,202
Total	<u>\$ 242,431</u>	<u>\$ 42,905</u>	<u>\$ 285,336</u>

The Interfund Loans from General to the Water Fund in the amounts of \$185,000 and \$81,450 respectively are on-demand notes. However, the Township is reporting the loans in long-term debt because it is not expected that the loans will be paid in the foreseeable future.

Township of Clyde
Notes to the Financial Statements
For The Year Ended June 30, 2006

8. Deferred Compensation Plan

The Township offers its employees a deferred compensation plan created in accordance with IRC Section 457. The assets of the plan were held in trust, as described in IRC Section 457(g) for the exclusive benefit of the participants and their beneficiaries. The custodian thereof of the exclusive benefit of the participants holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The Administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in the Township's financial statements.

9. Deficit Fund Balance or Retained Earnings Balances of Individual Funds

Fire Millage Fund (\$83,180)

10. Post Employment Benefits

The Township does not provide any post employment benefits.

11. Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical and workman's compensation benefits provided to employees. The Township has purchased commercial insurance for the various risks of loss stated above.

Settled claims for the commercial insurance have not exceeded the amount of coverage in any of the past three years. There was no reduction in coverage's obtained through commercial insurance during the past year.

12. Contingent Liabilities

The Township is involved in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Township that resolution of these matters will not have a material adverse effect on the financial condition of the Township.

Required Supplemental Information

Township of Clyde
 Budgetary Comparison Schedule
 General Fund
 For The Year Ended June 30, 2006

	General Fund			
	Original	Amended		Variance with
<u>Revenues</u>	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Amended</u>
Property Taxes	\$ 144,200.00	\$ 148,358.61	\$ 148,358.61	\$ -
Special Assessment	11,000.00	9,735.59	22,672.50	12,936.91
State Shared Revenues	350,000.00	377,498.00	377,758.00	260.00
Park Millage	20,000.00	20,943.22	20,943.22	-
Charges for Services	2,115.00	1,295.00	1,295.00	-
Fire & Emergency Services	21,500.00	14,438.17	14,438.17	-
Cemetery Revenues	20,250.00	22,793.00	22,793.00	-
Interest Earnings	29,000.00	45,946.04	49,155.88	3,209.84
Other Revenues	26,000.00	74,045.21	56,227.90	(17,817.31)
<u>Total Revenues</u>	<u>624,065.00</u>	<u>715,052.84</u>	<u>713,642.28</u>	<u>(1,410.56)</u>
<u>Expenditures</u>				
General Government				
Township Board	12,160.00	12,159.84	12,159.84	-
Supervisor	22,900.00	22,400.04	22,400.04	-
Elections	4,700.00	2,331.74	890.10	1,441.64
Assessor	29,620.00	28,517.28	27,361.10	1,156.18
Clerk & Deputy Clerk	61,757.00	59,913.65	60,212.67	(299.02)
Board of Review	1,000.00	868.75	868.75	-
Treasurer & Deputy Treasurer	32,900.00	38,401.21	34,821.24	3,579.97
Building & Grounds	34,220.00	39,548.79	43,841.93	(4,293.14)
Township Administration	128,950.00	134,896.25	110,124.85	24,771.40
Cemetery	8,100.00	3,530.58	3,530.58	-
<u>Total General Government</u>	<u>336,307.00</u>	<u>342,568.13</u>	<u>316,211.10</u>	<u>26,357.03</u>
Public Safety				
Emergency Services	82,200.00	64,596.25	69,826.92	(5,230.67)
Street Lights	10,000.00	9,932.70	10,836.18	(903.48)
Planning & Zoning	21,800.00	23,517.78	23,517.78	-
<u>Total Public Safety</u>	<u>114,000.00</u>	<u>98,046.73</u>	<u>104,180.88</u>	<u>(6,134.15)</u>
Public Works - Roads & Drains	<u>176,500.00</u>	<u>182,300.15</u>	<u>182,300.15</u>	<u>-</u>
Recreation & Culture	<u>7,500.00</u>	<u>5,211.56</u>	<u>5,605.73</u>	<u>(394.17)</u>
Capital Outlay	<u>40,200.00</u>	<u>207,169.58</u>	<u>46,741.45</u>	<u>160,428.13</u>
Debt Service - Principal	<u>10,706.81</u>	<u>10,706.81</u>	<u>12,076.00</u>	<u>(1,369.19)</u>
Debt Service - Interest	<u>2,117.49</u>	<u>2,117.49</u>	<u>748.30</u>	<u>1,369.19</u>
<u>Total Expenditures</u>	<u>687,331.30</u>	<u>848,120.45</u>	<u>667,863.61</u>	<u>180,256.84</u>
Excess of Revenues Over				
(Under) Expenditures	(63,266.30)	(133,067.61)	45,778.67	178,846.28
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In (Out)	-	-	-	-
Excess of Revenues & Operating Transfers In Over				
(Under) Expenditures & Operating Transfers Out	(63,266.30)	(133,067.61)	45,778.67	178,846.28
<u>Fund Balance - Beginning of Year</u>	<u>-</u>	<u>-</u>	<u>921,260.80</u>	<u>921,260.80</u>
<u>Fund Balance - End of Year</u>	<u>\$ (63,266.30)</u>	<u>\$ (133,067.61)</u>	<u>\$ 967,039.47</u>	<u>\$ 1,100,107.08</u>

Township of Clyde
 Budgetary Comparison Schedule
 Fire Millage Fund
 For The Year Ended June 30, 2006

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<u>Revenues</u>				
Property Taxes	\$ 36,000.00	\$ 37,848.90	\$ 37,848.90	\$ -
Grant Proceeds	-	-	45,243.00	45,243.00
<u>Total Revenues</u>	<u>36,000.00</u>	<u>37,848.90</u>	<u>83,091.90</u>	<u>45,243.00</u>
<u>Expenditures</u>				
Capital Outlay	-	-	202,031.00	(202,031.00)
<u>Total Expenditures</u>	<u>-</u>	<u>-</u>	<u>202,031.00</u>	<u>(202,031.00)</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>36,000.00</u>	<u>37,848.90</u>	<u>(118,939.10)</u>	<u>(156,788.00)</u>
<u>Other Financing Sources</u>				
Operating Transfers In (Out)	-	-	-	-
<u>Excess of Revenues & Other Sources Over (Under) Expenditures & Other Uses</u>	<u>36,000.00</u>	<u>37,848.90</u>	<u>(118,939.10)</u>	<u>(156,788.00)</u>
<u>Fund Balance - Beginning of Year</u>	<u>-</u>	<u>-</u>	<u>35,758.63</u>	<u>35,758.63</u>
<u>Fund Balance - End of Year</u>	<u>\$ 36,000.00</u>	<u>\$ 37,848.90</u>	<u>\$ (83,180.47)</u>	<u>\$ (121,029.37)</u>

Township of Clyde
 Budgetary Comparison Schedule
 Building Department Fund
 For The Year Ended June 30, 2006

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<u>Revenues</u>				
Building Permits & Fees	\$ 68,010.00	\$ 67,898.75	\$ 67,898.75	\$ -
<u>Total Revenues</u>	<u>68,010.00</u>	<u>67,898.75</u>	<u>67,898.75</u>	<u>-</u>
<u>Expenditures</u>				
Administration	27,218.00	29,470.59	29,477.08	(6.49)
Inspectors' Wages & Fees	44,200.00	45,324.04	45,324.04	-
Miscellaneous	2,280.00	1,700.15	2,568.70	(868.55)
<u>Total Expenditures</u>	<u>73,698.00</u>	<u>76,494.78</u>	<u>77,369.82</u>	<u>(875.04)</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>(5,688.00)</u>	<u>(8,596.03)</u>	<u>(9,471.07)</u>	<u>(875.04)</u>
<u>Other Financing Sources</u>				
Operating Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Excess of Revenues & Other Sources Over (Under) Expenditures & Other Uses</u>	<u>(5,688.00)</u>	<u>(8,596.03)</u>	<u>(9,471.07)</u>	<u>(875.04)</u>
<u>Fund Balances - Beginning of Year</u>	<u>-</u>	<u>-</u>	<u>52,328.47</u>	<u>52,328.47</u>
<u>Fund Balances - End of year</u>	<u>\$ (5,688.00)</u>	<u>\$ (8,596.03)</u>	<u>\$ 42,857.40</u>	<u>\$ 51,453.43</u>

Other Supplemental Information

Township of Clyde
Other Supplemental Information
Schedule of Indebtedness
June 30, 2006

USDA Rural Development
1994 FmHA Water Bonds

Dated: June 1, 1994
Original Issue: \$2,726,000

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30, 2006</u>		<u>Remaining Annual Interest Payable</u>
		<u>2006</u>	<u>2005</u>	
5.63%	6/30/2006	\$ -	\$ 72,000	\$ -
5.63%	6/30/2007	72,000	72,000	13,636
5.63%	6/30/2008	72,000	72,000	9,586
5.63%	6/30/2009	72,000	72,000	5,537
5.63%	6/30/2010	26,431	72,000	1,487
5.63%	6/30/2011	-	23,563	-
<u>Total Installment Purchase Contracts</u>		<u>\$ 242,431</u>	<u>\$ 383,563</u>	<u>\$ 30,246</u>

USDA Rural Development
1995 Special FmHA Water Bonds

Dated: October 1, 1995
Original Issue: \$306,995

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30, 2006</u>		<u>Remaining Annual Interest Payable</u>
		<u>2006</u>	<u>2005</u>	
5.50%	10/1/2005	\$ -	\$ 7,900	\$ -
5.50%	10/1/2006	-	7,900	-
5.50%	10/1/2007	-	7,900	-
5.50%	10/1/2008	-	7,900	-
5.50%	10/1/2009	-	7,900	-
5.50%	10/1/2010	-	7,900	-
5.50%	10/1/2011	-	7,900	-
5.50%	10/1/2012	-	2,035	-
<u>Total Installment Purchase Contracts</u>		<u>\$ -</u>	<u>\$ 57,335</u>	<u>\$ -</u>

Bonds Payable
1999 Special Assessment Water Bonds

Dated: July 1, 1999
Original Issue: \$180,000

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30, 2006</u>		<u>Remaining Annual Interest Payable</u>
		<u>2006</u>	<u>2005</u>	
5.50%	7/1/2006	\$ -	\$ 10,000	\$ -
5.50%	7/1/2007	-	10,000	-
5.50%	7/1/2008	-	10,000	-
5.50%	7/1/2009	-	10,000	-
5.50%	7/1/2010	-	10,000	-
5.50%	7/1/2011	-	10,000	-
5.50%	7/1/2012	-	5,000	-
<u>Total Installment Purchase Contracts</u>		<u>\$ -</u>	<u>\$ 65,000</u>	<u>\$ -</u>
<u>Total Installment Purchase Contracts</u>		<u>\$ 242,431</u>	<u>\$ 505,898</u>	<u>\$ 30,246</u>